

The Sustainable Economics of Elinor Ostrom: Commons, Contestation and Craft, by Derek Wall

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Book Review

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The Sustainable Economics of Elinor Ostrom: Commons, Contestation and Craft, by
Derek Wall, London, Routledge, 2014.

Elinor Ostrom's research into commonly owned resources has far reaching implications for social sciences, as well as for environmental sciences, reflecting the multidisciplinary approach she herself strived for throughout her work. In 2009 she won the Nobel Prize in economics for her research into the governance of the commons. This research had huge significance for contemporary societal challenges, such as dealing with climate change and managing the global commons, in an increasingly divided and environmentally constrained world. Challenging Hardin's metaphor from his 1968 article, 'The tragedy of the Commons,' through rigorous large N scale experiments and detailed case studies, Ostrom found that state or private ownership were not the only two forms of successful property management. Challenging the thesis that common property is poorly managed and should either be regulated by the state, or privatised, Ostrom's experiments highlighted how common resources could be sustainably managed for the collective benefit of the community. She showed how "Many groups can effectively manage and sustain common resources if they have suitable conditions, such as appropriate rules, good conflict-resolution mechanisms, and well-defined group boundaries." Yet, despite the importance of her findings, the first woman to be awarded the Nobel Prize for economics has as yet received insufficient attention, within academic literature and beyond, exploring the impact of her research across the sciences.

In *The Sustainable Economics of Elinor Ostrom: Commons, Contestation and Craft*, Derek Wall provides us with a welcome, concise, yet passionately written account of Ostrom's life, her influences, and her research. He carefully places her work against the theoretical backdrop of those thinkers who framed her intellectual development, from Tocqueville's thinking on grass roots democracy, individualism and collective action, to Hayek's free market approach to economics. He clearly outlines her theoretical approaches, such as her use of an institutional analysis and development framework and game theory. Wall highlights the significance of how Ostrom indeed challenged game theory to overcome the problem of 'free

riders' in understanding common ownership, recognising the importance of communication and its effects on self-interested individuals in their capacity for collective action.

Ostrom was keen to inform policy and used a multidisciplinary form of action research to tackle complex environmental problems. She found indigenous traditional systems of resource management were worthy of study, as they were closer to the resource, and thus able to filter out unsustainable practices. Long term policies were vital. Ostrom championed the seven generation rule, arguing for long term human wellbeing and seeing human beings as part of the ecosystem. She rejected blanket assumptions that modernity was ecologically destructive however, and acknowledged that traditional forms of knowledge were also imperfect. Like Tocqueville, she believed in individual decision making and that 'human beings could and should create their own means of governance'. Acknowledging that panaceas do not exist for resource management challenges, Ostrom nevertheless argued for scaling up learning from specific local cases, to the planetary scale.

Wall describes Ostrom's research and findings throughout her life, including the perplexing cases of resources which had to be owned in common 'because there is no alternative!', which she explored at the beginning of her career. Taking an inherently common resource, Ostrom explored the management of limited water resources by users and farmers in California. Through collective action via the West Basin Water Association, she showed how indeed it was only through collective management of complex environmental challenges, in this case the over exploitation by farmers, that a serious tragedy of the commons could be prevented.

Throughout the book Wall applies Ostrom's thinking to a wide range of new and existing common pool property and common pool resources, such as open source software and, increasingly, hardware, with new developments in technology and 3D printing. Ostrom was keen to acknowledge that common pool resources were not all local, or well delineated, but included oceans, fisheries, the atmosphere, air pollution emissions markets, as well as forests, local water resources and far more.

In exploring how to manage these global common resources, Ostrom's assumption of plural property rights, her 'practical emphasis on sustainability and shared consumption/production' makes her work essential in dealing with ecological dilemmas. Wall even suggests that her research potentially provides a paradigmatic change within the social sciences and

economics. This important book provides a clear and insightful study of one of the most important economists, and ecologists of the last century. Elinor Ostrom died in 2012. Her legacy will continue to inspire research into the current global challenges, and into how to craft human institutions capable of managing our limited common resources sustainably.